DLAM 7000.5   CONTRACT ADMINISTRATION SERVICES ACCOUNTING PROCEDURES
PART 9 CONTRACT CLOSEOUT
CHAPTER 1

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CHAPTER 1   CONTRACT COMPLETION STATUS REPORTING

9.1.1 CHAPTER OVERVIEW

Contract Completion Notices (PK9) and Unclosed Contract Status Reports (PKX) are the means of mechanically reporting to the cognizant Purchasing Office (PO) the closure status of contracts assigned to the DCMD for primary administration. This section describes the required actions by the DCMD to effect closure of contracts within DAR/FAR requirements, including the types of contracts that do not meet the criteria for mechanical reporting.

9.1.1.1 CONTRACT CLOSING STATUS

a. The processing of the final acceptance DD Form 250 or MILSCAP PKP/PKN acceptance automatically generates an R2 Remark with Final Acceptance Date (FAD), and moves the Contract to CAR section 2. Similarly, the manual input of an R2 Remark for special types of contracts not requiring DD Form 250 acceptance will also create a FAD and results in movement of contract to section 2 of the CAR. As a result, a contract completion suspense record will be established which triggers the generation of Report UYCJ03, NLA Closing Actions Status Notice/Request as described in this section. Based on the FAD, the overage date is mechanically computed from the end of the month in which the contract becomes physically complete. The computed overage date is as prescribed in reporting requirements and standard times for contract closing, DAR S2-305, S2-306 and FAR 4.804-4 and are categorized as follows:

CODE	CONTRACT TYPE	MONTHS AFTER PHYSICAL COMPLETION
A	Fixed Price Unilateral Contracts Face Value Under $25,000	3
B	All other fixed price contracts (excludes A above)	6
C	Cost - Reimbursement requiring settlement of overhead rates	36
D	All other contract types	20

b. Contracts are mechanically assigned a closing condition group number code based upon the face value and the extent of administrative functions performed. The closing groups and the automatic issuance of Contract Completion Notices (PK9s) are defined as follows:

(1) Closing Condition Group 1. Firm Fixed Price Unilateral Orders Under $10,000 in part B of the CAR. Final Contract Completion Notices (PK9s) are automatically issued to the Purchasing Office upon physical completion. When final payment is made, an R9 Remark FMFIN/SHIP/PAY (indicating date of final payment) is generated to update the Data Base and contract is moved to section 5 of the CAR.

(2) Closing Condition Group 2. Firm Fixed Price Contracts not exceeding $99,999 in part B other than those described above. PK9s are issued when final payment has been made. Contract is moved to section 5, the R9 Remark is generated and excess funds deobligated as described above.

(3) Closing Condition Group 3.

(a) Cost Type Contracts: Contract Completion Notices (PK9s) will be issued on cost type contracts R, S, T, U, V, or W based on the ACOs signature on the final voucher. Upon processing the final voucher, an R9 Remark is generated and the contract is moved to section 5. A deobligation transaction is mechanically generated to remove excess funds. No NLA will be issued for cost type contracts.

(b) All other contracts in part A: PK9s are issued based upon final payment and ACO Certification that all administrative actions have been completed and any excess funds removed. When a final payment is processed, an R7 Remark FIN PAY NLA ISSUED (with the date of issuance is generated). Upon receipt and update of the signed FIN PAY NLA, the PK9 is issued to the Purchasing Office and an R9 Remark FMNLA PROCESSED (with date of issuance) is mechanically generated to update the Data Base and the contract is moved to section 5. A deobligation transaction is mechanically generated to remove any excess funds. Other informational alerts are generated to the ACO prior to final payment as advice of status of the physically completed contracts to preclude overage conditions.

c. An Unclosed Contracts Status (PKX) will be transmitted to the Procuring Offices (PO) for each contract in Closing Condition Group 2 and 3 above or for Cost Type Contracts that will not be closed within the established timeframe in DAR S2-305 and S2-306.

9.1.2 INPUT PROCEDURES

The Contract Completion Notices (PK9 and PKX) are a by-product of the basic inputs described in Abstract Processing; Delivery Processing; Invoice Control and Disbursement Processing. Specific inputs are described below as they relate to the total processing.

a.   Annotated Report UYCJ03 Closing Action Status Notice/Requests.

b.   Contract Administration Completion Record (DD Form 1593) (manually prepared).

c.   MOCAS Remarks Record (Record 2) remark if NLA is not final and overage.

d.   ACO signed final voucher for Cost Type Contracts.

9.1.2.1 UYCJDE00 - NLA INPUT INSTRUCTIONS

a.   GENERAL - Upon completion of all Contractual actions, the ACO will sign the NLA and follow these input instructions. NLAs are still processed in Batch Mode.

b.   BATCH HEADER RECORD

JOB NAME: UYCJDE00

PROGRAM LEVEL: 2   FORMAT NO.: 001

LINKAGE: FROM: 2   TO: 3

(1) SCREEN FORMAT - Figure 9-1 is a sample screen format for UYCJDE00 Batch Header Record.

****

   NLA BATCH NO: DATE PREP:

   RECORD COUNT:

****
                         FIGURE 9-1

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        (2) INPUT INSTRUCTIONS:

DATA ELEMENT          SPECIAL INSTRUCTIONS

bbbbbbBATCHb          System generated.

BATCH NO.             Enter as shown.

DATE PREP:
  Day                 Must enter 01-31, left zero.
  Month               Must enter 01-12, left zero.
  Year                Must enter 84-00.

RECORD COUNT          Must enter, left zero.

NOTE:  Depress REL key to release record.

c.  DETAIL RECORD

JOB NAME:  UYCJDE00

PROGRAM LEVEL:  3               FORMAT NO.:  068

LINKAGE:   FROM:  3             TO:  3

    (1) SCREEN FORMAT - Figure 9-2 is a sample screen format for UYCJDE00 Detail
Record.

*************************************************************************
    FIC:  NLA            PIIN:              SPIIN:

    VCHR NO:                  TYP PAYMT CD:          DISBRS SVC CD:

    FINL PAYMT DT YR:      MO:          DAY:

    STAT CD:
```

****
                         FIGURE 9-2

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        (2) INPUT INSTRUCTIONS:

DATA ELEMENT          SPECIAL INSTRUCTIONS

FIC NLA               System generated.

PIIN:
  Buying Activity     Must enter, must fill.
  FY                  Must enter, must fill.
  TYPE/SER/TO         Must enter, must fill.

SPIIN                 Enter if indicated, else skip.

VOUCHER               Always leave blank.

TYP PAYMT CD*         Always leave blank.

DISBRS SVC CD*        Always leave blank.

FINAL PAYMENT DT:
  Year                Always leave blank.
  Month               Always leave blank.
  Day                 Always leave blank.

STAT CD               Always enter F.

NOTE:  Depress REL key to release record.
```

9.1.3 OUTPUT PRODUCTS

   a. Products from the Contract Completion Notice (CCN) processing and reporting are as follows:

      (1) UYCJ01, CLR Obligation Auto-Adjustments Resulting from CCN Action (Daily).

      (2) UYCJ02, NLA List of Outstanding Closing Actions Status Notices (Monthly).

      (3) UYCJ03, NLA List of Closing Action Status Notice/Request (Daily).

      (4) UYCJ05, CCN Reference List (Daily).

      (5) UYCJ07, Rejected PK9/PKX Transaction (Daily).

      (6) UYCL01, DD Form 1594, Contract Completion Statement (Air Force Contracts).

      (7) UNMA180C, Accepted NLA Transaction List (Daily).

      (8) UNMA180D, Rejected NLA Transaction List (Daily).

   b. Notices Transmitted to the Purchasing Office by CAO.

      (1) Contract Completion Notice (CCN) PK9.

      (2) Unclosed Contract Status (CCS) PKX.

c. Notice Transmitted from the Purchasing Office to CAO Contract Closeout Extension (CCE) PKZ.

    (1) UYMA180E, Accepted PKZ Transaction List.

    (2) UYMA180F, Rejected PKZ Transaction List.

9.1.4 DOCUMENT DATA FLOW

Contract Completion Notices are generated on Contracts assigned for Primary Administration in part A of the CAR. Specific actions are outlined in DLAM 8105.1, S2-300, Contract Closeout. The following describes these actions.

9.1.4.1 REMOVING EXCESS FUNDS

Prior to a contract moving to section 5 when there is a ULO balance, the computer will automatically generate a Q Final transaction to reduce the ULO to zero and will generate the CLR Obligation Auto-Adjustments Resulting from CCN Action list. Review this list to determine which contracts must be reopened and/or adjusted for financial reconciliation, etc. If contracts are required to be reopened move these contracts to section 1 or 4. If contract is moved to section 1, or section 2 from section 4 the PK9 will be automatically canceled and a new PK9 generated upon reclosure. If contract is moved from section 4 to section 5 no new PK9 will be generated. If it is found that final payment was coded in error, reopen the contract in section 1, move the contract to section 2 after it appears in section 1, and reinstate the Payee Name and Address for subsequent payment(s).

9.1.4.2 UYCJ03 - NLA CLOSING ACTION STATUS NOTICE REQUESTS REPORT

Following is a listing of the type NLA notices issued:

WAIT PHY COMP	FINAL PAYMENT MADE CONTRACT IN SECTION 1
FINAL PAY PAYMENT ALERT	FINAL PAYMENT PROCESSED 21 DAYS PRIOR TO OVERAGE DATE AND CONTRACT NOT YET FINAL PAID
21 DAY ALERT OVG	21 DAYS PRIOR TO OVERAGE DATE AND CONTRACT HAS BEEN FINAL PAID
OVERAGE FOR PAY (X IN OVERAGE POSITION)	CONTRACT REACHED OVERAGE NOT FINAL PAID (NLA ISSUED EVERY 7 DAYS UNLESS FINAL PAID OR ECD ESTABLISHED)
CONTRACT OVERAGE (X IN OVERAGE POSITION)	CONTRACT REACHED OVERAGE HAS BEEN FINAL PAID
21 DAY ALERT ECD (X IN OVERAGE POSITION)	21 DAYS PRIOR TO ECD (NLA ISSUED EVERY 7 DAYS UNLESS FINAL NLA PROCESSED OR ECD UPDATED)

CONT IN SEC 5   FINAL NLA SUBMITTED BY ACO ON CONTRACT
                                       IS SECTION 5

UNAUTHORIZED C/O (CLOSEOUT)   CONTRACT MOVED FROM SECTION 2 TO SECTION
                                       5 WITHOUT A FINAL PAY INDICATOR

CAN FPAY NLA   PAYMENT MADE SUBSEQUENT (OR IN ERROR) TO
                                       FINAL PAY (PRIOR NLA/PK9 CANCELED AND
                                       NEW NLA WILL BE ISSUED)

CONTRACT REACTIVATED   CONTRACT REOPENED WITHIN 35 DAYS AFTER
                                       CONTRACT CLOSED IN SECTION 5

   a. WAIT PHY COMP

   (1) DESCRIPTION - This alert notice informs the Finance Office and the CAO
that final payment had been processed but the contract in CAR section 1.

   (2) FINANCE OFFICE ACTION - Review the transaction to determine why this
condition exists. If adjustments to the LISSR or corrected DD Form 250 is
required, take the appropriate action to correct the condition. If the payment
was coded final (type payment code 1) in error, process a G NLA with seven pound
(#) signs in the Final Payment Date field on Job Number UYCJDE00 which will
remove the record from CCN suspense.

   (3) ACO ACTION - This Alert Notice is for information only unless assistance
is requested from the Finance Office.

   b. FINAL PAY

   (1) DESCRIPTION - This alert notice will be generated when final payment and
final acceptance has been processed. The Final Pay NLA will be used by the ACO
to certify that all contract administration closing actions required by the
functional elements (e.g., Property Administration, Plant Clearance, Industrial
security, etc.) including review of excess funds on the contract, are
satisfactorily completed. The Final Pay NLA is to be annotated with the
signature of the ACO, date of closing and Coded F. Annotated NLAs will be
forwarded to the CAO terminal for input, only if input capability is not
available to the ACO. A Final Payment Notice NLA will not be provided for those
contracts under which payment is made by other than the local DCMD, no cost
contracts or cost type contracts.

   (2) ACO ACTION

      (a) Reporting of Contract Closing Action: When all contract administration
closing actions have been completed, the special requirements as set forth in
DLAM 8105.1, S2-300.4.c, the ACO will annotate the Final Payment Notice NLA as
follows to update the data base:

      1. Under column headed TRANS DATE, enter the Julian date that
administrative closeout action was completed.

       <u>2</u>. Under the column headed TRANS STATUS, cross out the D and enter an F indicating final report.

       <u>3</u>. ACOs signature.

   (b) Those contracts for which Final Payment Notice NLA is lost or where one is not required to be generated, e.g., contract paid by other than local DCMD and contracts with no funds obligated. A DD Form 1593 will be substituted for the Final Pay NLA. In addition to including the information cited above the following statement will be included, ALL CONTRACT CLOSE-OUT ACTIONS COMPLETED ON _____ . (If applicable) ULO IN THE AMOUNT OF _____ IS IN EXCESS.

   (c) As the result of the input of F coded Final Pay NLA or DD Form 1593 the computer will:

       <u>1</u>. Transmit to the PO a final Contract Completion Statement (PK9).

       <u>2</u>. Transfer the contract to CAR section 5.

       <u>3</u>. Create an R9 Remark NLA PROCESSED with Processed Date.

       <u>4</u>. Generate an Obligation Adjustment Transaction Record which will reduce the unliquidated balance to zero.

  c. PAYMENT ALERT

   (1) DESCRIPTION - This Alert Notice informs the Finance Office and CAO 21 days before a physically completed contract goes overage that final payment has not yet been made (aging based upon the overage date in the R2 Remark).

   (2) FINANCE OFFICE ACTION - Use the NLA to determine the status of final invoicing. If an invoice has not been received action should be taken to request the invoice from the contractor. If a modification or corrected DD Form 250 is needed, prepare the appropriate requests to obtain the missing documents. If final payment has been made but the final pay data was not recorded in CCN Suspense, prepare an NLA G transaction to clear the suspense. The G transaction will cause a Final Pay NLA to be transmitted to the ACO.

   (3) ACO ACTION - ACO will maintain Potential Overage suspense and coordinate with the Finance Office.

  d. 21 DAY ALERT OVG

   (1) DESCRIPTION - Generated 21 days before a physically completed final paid contract goes overage based on the overage date in the R2 Remark.

   (2) ACO ACTION - The ACO will review to determine the administrative actions required to effect closeout. If the contract cannot be closed prior to the overage date, the ACO will annotate the NLA with an Estimated Completion Date (ECD), and a reason for delay code and update the data base.

(a) If the contract closeout action has been completed, an F Coded NLA should be processed to update the data base in accordance with instructions as given.

(b) If contract closing actions have not been completed, annotate the NLA in accordance with DLAM 8105.1, S200.4(E) as follows to update the data base:

<u>1</u>.   Under column headed EST COM DATE, enter estimated Julian date by which contract administration closing action will be completed.

<u>2</u>.   Under column headed DELAY REASON, enter reason for delay code provided in part 15 of this manual. If more than one reason code is applicable, enter codes in order of significance. Up to three reason codes may be included.

<u>3</u>.   No entry will be required under column headed TRAN STATUS since a D (indicating Interim Report) is preprinted.

<u>4</u>.   Write the word overage and follow with the ACOs signature.

(c) Forward to CAO terminal only if input capability is not available to the ACO.

(d) As a result of the input of the ECD and Overage Reason Code, an Unclosed Contract Status PKX will be transmitted to the PO.

e.   OVERAGE FOR PAY (X UNDER O/A POSITION)

(1) DESCRIPTION - This NLA notice informs the CAO and the Finance Office that a contract is overage and final payment has not been made. (Based upon the overage date in the R2 Remark.) Followups will be generated every seven days until the final payment has been made or an ECD and reason code is included on the R2 Remark.

(2) FINANCE OFFICE ACTION - Use the NLA to determine the status of final invoicing. If an invoice has not been received, action should be taken to request the invoice from the contractor. If a modified or corrected DD Form 250 is needed, prepare the appropriate requests to obtain the missing documents. Annotate the NLA with indication of missing documents, an Estimated Completion Date (ECD) of 45 days from the current date, and the Delay Reason Code. Process and update the R2 Remarks. The input of the ECD will prevent the seven day followup alerts. If final payment has been made but the final pay data was not recorded in CCN Suspense, prepare an NLA G transaction to clear the suspense. The G transaction will cause a Final Pay NLA to be transmitted to the ACO on part A contracts and close part B contracts.

As a result of the input of the ECD and Overage Reason Code an Unclosed Contract Status, PKX will be transmitted to the PCO.

(3) ACO ACTION

(a) The ACO will maintain a suspense for the overage contract notice and ensure that an ECD and reason code is included in the R2 Remarks.

(b) ACO action is required in those cases where negotiations regarding prices, and settlements of other factors prevent the contractor's submission of final invoices. The NLA should be annotated to indicate the estimated closing date, the most significant reason the contract cannot be closed and notify the Finance Office of action taken.

(c) The ACO when requested will assist the Finance Office by obtaining necessary documentation required for final payment action.

f. CONTRACT OVERAGE (X IN OVERAGE POSITION)

(1) DESCRIPTION - This NLA notice informs the CAO that a final paid contract is overage (based upon the overage date in the R2 Remark). Followups will be generated every seven days until an F Coded NLA is issued or an ECD is included in the R2 Remarks.

NOTE: Contract Overage NLA closely parallels the OVERAGE FOR PAYMENT NLA. The only differences being that this contract was FINAL PAY. An additional contract overage NLA will be issued when contract reaches ECD if no final NLA is processed, or the ECD is not updated.

(2) ACO ACTION

(a) The ACO will review the transaction to determine the administrative actions required to effect closeout. If the contract closeout action has been completed, an F Coded NLA should be processed. If the contract cannot be closed, the ACO will annotate the NLA with an Estimated Completion Date (ECD) and a reason for delay code.

(b) As a result of the input of the ECD and Overage Reason Code an Unclosed Contract Status PKX will be transmitted to the PO.

g. 21 DAY ALERT ECD (X IN OVERAGE POSITION)

(1) DESCRIPTION - This alert notice informs the CAO 21 days before an overage contract reaches the Estimated Completion Date (ECD) based upon the ECD date in the R2 Remarks. Followups will be generated every seven days when the contract becomes overage until an F Coded NLA is issued or the ECD is revised in the R2.

(2) ACO ACTION

(a) If all administrative action has been completed, an F Coded NLA should be processed.

(b) If the contract is not ready for closure, the ACO will annotate the NLA notice with a revised target date for completion of the administrative closing actions and the reason for further delay.

(c) The annotated NLA will be processed to update the data base.

(d) The computer updates the CCN suspense on the basis of the replies received from the ACO (R2 Remark), either as to completion of all administrative actions (Code F) or a revised ECD and reason for delay. The processing of the F Coded NLA causes automatic generation of a Contract Completion Notice (PK9) to be transmitted to the PO. The update of the ECD and reason code will cause the automatic generation of an Unclosed Contract Status (PKX) report to be transmitted to the PO advising the reason for delay in closing. The update of the ECD will also prevent the generation of the   seven-day followup alerts until the ECD is reached. It does not, however, relieve the overage condition. The CCN suspense will be retained for 35 days after the contract section 5 closed date, and will be automatically purged after the 35 days have been reached.

(e) A Contract Overage, NLA will be issued when the ECD is reached if action described above is not accomplished.

h.   CONT IN SEC 5 (CONTRACT IN CAR SECTION 5)

(1) DESCRIPTION - This NLA Notice informs the ACO and the Finance Office that a final NLA was issued on a contract in section 5.

(2) ACO ACTION - Determine if second NLA was issued in ERROR. If so, disregard, if incorrect contract number, process new final pay NLA.

i.   UNAUTHORIZED C/O (CLOSEOUT)

(1) DESCRIPTION - This alert informs the CAO and the Finance Office that a contract was moved from section 2 to section 5 without a final pay indicator, preventing automatic issuance of a PK9 transmission to the PO.

(2) ACO ACTION - Upon receipt of the Action Code Unauthorized C/O, the ACO shall coordinate with the Finance Office to reopen the contract in the proper section or follow correct closeout procedures to generate a PK9 if the contract is to be closed.

j.   CAN FPAY NLA

(1) DESCRIPTION - The NLA notice informs the CAO and the Finance Office that Final Pay NLA previously processed has been canceled either as:

(a) A result of processing a subsequent payment after final payment. This is an automatically generated notice.

(b) Upon determination that a final payment previously processed was processed in error. This is a manually generated notice.

(c) Upon determination by the ACO that additional work is pending.

(2) MANUALLY GENERATED CANCELLATION

   (a) ACO ACTION - If an ACO determines that a final NLA was processed in error, they will annotate the carbon copy of the NLA with the correct status, (e.g., payment adjustment, administrative action pending) and the statement REQUEST CANCELLATION OF FINAL PK9 followed by their signature.

   (b) FINANCE OFFICE ACTION - Upon receipt of the annotated NLA for payment adjustment only, manually prepare a cancellation PK9, and reopen the contract in section 4. After payment adjustment has been accomplished, manually move the contract to section 5 and prepare a PK9 for transmission to the PCO. If administrative actions were not complete, reopen the contract in section 1, and move the contract to section 2 after it appears in section 1. A manual PK9 will be prepared only if the contract is reopened after the CCN suspense record has been deleted. Prepare an NLA transmission with a G in pos. 80 to generate a new Final Pay to the ACO.

   In the event that an Unclosed Contract Status Report (PKX) is transmitted in error, the erroneous record will be deleted by transmitting the original format to be canceled, adding an X (11 punch) over the decade position of the year in the PIIN Number. The corrected record will be prepared in the same format as the original, but will contain Transaction Status Code C (corrected transaction) in position 80. Request the ACO to supply the corrected data, if necessary and process a cancellation and a corrected PKX as outlined above.

   k.   CONTRACT REACTIVATED

   (1) DESCRIPTION - This notice informs the CAO and the Finance Office that a contract has been reactivated. The CONTRACT REACTIVATED message will be generated only if the contract is reactivated within 35 days after the section 5 closed date. This may be generated as a result of the ACO request to cancel previous Final Pay NLA.

   (2) ACO ACTION - If the ACO requested the cancellation of a Final Pay NLA, this provides notice that action was accomplished.

   (3) FINANCE OFFICE ACTION - Reactivation after the 35 days will require manual preparation of cancellation PK9s for transmission to the PO. The manual PK9s are required because the CCN suspense record is automatically purged 35 days after the section 5 closed date.

9.1.4.3 CONTRACTS REQUIRING SPECIAL HANDLING

   There are certain types of contracts that are closed and a Final Pay NLA will not be issued. These contracts require special handling before closing action can take place.

9.1.4.3.1 CONTRACTS REQUIRING PK9S

a. The following contracts require a manual PK9:

    (1) Contracts/Agreements which provide for issuance of orders/calls,

    (2) Facilities Contracts, Rental, Use and Storage Agreements,

    (3) Contracts with Prime Administration less payment.

b. The ACO will submit a DD Form 1593 to the Finance Office indicating All Administrative Actions are Complete, move to section 5 and generate a manual PK9.

9.1.4.3.2 CONTRACTS NOT REQUIRING PK9S

a. Contracts not requiring the generation of a PK9 to the Purchasing Office:

    (1) Support Assigned Prime Contracts/Subcontracts.

    (2) NASA contracts.

b. The ACO will request the movement of a contract from section 1 to section 5 on DD Form 1593 and provide appropriate notification to the PO as authorized in DLAM 8105.1, S2-300.7.

9.1.4.3.3 CONTRACT FOR LITIGATION/TERMINATION

Contracts that are to be moved from section 1 to section 3 of the CAR due to litigation or termination action are to be handled as follows:

a. Upon receipt of proper documentation, move the contract to section 2 by inputting the R2 Remark with a FAD date (effective date of action, e.g., termination). This action will create a physical completion data.

b. After the contract moves to section 2 with the R2 Remark, move the contract to section 3 with an R3 Remark. When the contract moves to section 3, the R2 Remark is deleted from the data base, but this will generate an R6 with all applicable R2 information. Accordingly, an NLA alert for the ACO will be generated 21 days before the contract reaches the overage date computed from the effective date as appears on the R6. An R6 cannot be used on terminated contracts.

c. If the contract has not been closed by the overage date, the ACO will annotate the NLA alert with an estimated completion date, and a reason for delay code. The ACO will enter a remark Contract is in section 3, Update R2, Return to section 3 on the NLA and forward the annotated NLA to the Finance Office or the CAO terminal. The Finance Office/CAO terminal input clerk will prepare an R2 Remark transaction, using the original FAD, with ECD and delay code. When the Remark appears in section 2, the input clerk will prepare an R3 Remark transaction to reestablish the contract in section 3.

9.1.4.3.4 CONTRACTS TRANSFERRED OUT

   After all appropriate actions have been completed to transfer out contracts, prepare and input an NLA transaction with an H in pos. 80 This will generate an R9 Remark to automatically move the contract to section 5, and will establish a deobligation to the CLR to adjust the ULO to a zero balance. A PK9 will not be generated.

9.1.4.4 REJECTED REPORTS

   a. Rejected NLAs (Report UNMA180C) containing no Final Pay will be produced when final pay data is missing from the CCN suspense file. Research to determine the reason for the rejection, and take appropriate action to clear the condition.

   b. Rejected NLA Transaction List (UNMA180D) will be produced when errors are made on the input transaction. The Finance Office and CAO terminal input clerks will research errors and reprocess the transaction.

   c. Rejected PK9/PKX Transaction List (Report UYCJ07) will be produced when these transactions cannot be routed due to missing DoDAAD Code. Research the transaction and prepare an update to the DoDAAD Code Table File.

NLA TRANSACTION ERRORS

The following error messages appear on the UNMA180D (Rejected NLA Transaction List) after the input of an incorrect NLA transaction. There are also conditions which may arise in which errors have occurred after the input of an. NLA transaction without an error message appearing on the UNMA180D. In situations where this occurs, a combination of the error messages shown below exist but will not be identified by the system with an actual error message.

ERROR CODE	MESSAGE	REASON
360	F/C-PIIN/SPIIN ORG UNMATCHED	An NLA transaction was input for a contract that is not on the data base.
361	F/C STAT=F OR G, BAD SEC. NO.	An NLA transaction with F or G STAT-CD and 8 or 9 in CAR-SEC-NO.
362	F/C STAT=H, BAD SEC-NO.	An NLA transaction with H STAT-CD and 8 or 9 in CAR-SEC-NO.
364	F/C STAT=F, NO FINL-PAY-DT	An NLA F transaction was input for a contract which has no FINL-PAY-DT either on the data base or preceding G transaction.
365	F/C STAT=F OR G, HAS CLOSE DT	An NLA transaction with F or G STAT-CD already has a CONTR-CLOSE-DATE on the data base.
366	F/C STAT=F OR G, BAD ASGM-CD	An NLA transaction with F or G STAT-CD and S or T in CONTR-ASGM-CD on the data base.
367	F/C STAT=F OR G, BAD TYP-CONTR	An NLA transaction with F or G STAT-CD and R,S,T,U, V or W in TYPE-CONTR-CD on the data base.
C71	STR-VOUCHER NO.	An NLA transaction with G STAT-CD and blank voucher no.
C72	STR-TYPE PYMT CD.	An NLA transaction with G STAT-CD and blank TYPE-PAY-CD.
C73	STR-DISB. OFC DPT. CD	An NLA transaction with G STAT-CD and blank DISB-OFC-DPT-CD.
C74	STR-FINAL PYMT. DT.	An NLA transaction with G STAT-CD and blank or in valid FINAL-PAYMENT-DATE.
C75	STR-STAT CD MUST BE F, G, OR H	An NLA transaction with a STAT-CD other than F,G or H.
801	*F/C-CANNOT CLOSE-R9 64 IS PRESENT*	*Cannot close a contract when R9 64 is present.*

9.1.4.5 UYCJ02 - OUTSTANDING NLA LIST

   The NLA List of Outstanding Closing Action Status Notices. The List of
Outstanding Notices reflects all NLAs outstanding for 30 days or more, as of the
date the report is produced. It is printed in the same format as the NLA notice.

9.1.4.6 UNMA180E - REQUIREMENTS FOR CONTRACT CLOSEOUT EXTENSIONS

   The contract completion date in the Contract Completion Notice (PK9) will be
used by the PO as the closeout date for file purposes, except when completion of
any pending significant Purchasing Office action extends more than three months
beyond this date. In the latter case, the Purchasing Office will forward a
Contract Closeout Extension PKZ to the CAO within two workdays after
establishment of an extended closeout date. These notices are advisory in nature
only. (See MILSCAP DoD 4105.63M for format.)

9.1.4.7 UNCOLLECTABLE ACCOUNTS RECEIVABLE

   When uncollectable accounts receivable have been transferred to the DLA
Contract Finance Office (DLA-CF) or the applicable Services Finance center, the
accounts receivable should be written off. Notify the ACO that the contract has
been transferred out as an uncollectable debt and process a final NLA if
appropriate. The CLR balance will be manually adjusted. After the PK9 is
issued, send a letter to the Purchasing Office and Accountable Station notifying
them that jurisdiction of the contract debt has been transferred out. The letter
will contain a statement essentially as follows: A claim against the contractor
for $_____ plus accrued interest has been transferred for collection action,
or as appropriate, A proof of claim for $_____ plus accrued interest has
been filed against insolvent contractor pursuant to DAR, appendix E-611.

9.1.4.8 AIR FORCE REPORTS

   a. The Air Force will be sent both unsigned DD Form 1594 and Contract
Completion Notices (PK9s). Exception: Air Force Logistics Command (AFLC) will
not be sent the DD Form 1594. Accordingly, DD Form 1594 will continue to be
produced for Air Force contracts when final payment has been processed. Forward
the DD Form 1594 for closing condition groups 1 and 2 to the Purchasing Office
after verifying section 5 movement. For closing condition group 3, retain the DD
Form 1594 until the ACO Final Pay NLA has been input and section 5 movement
accomplished, then forward the unsigned DD Form 1594 to the Purchasing Office.

   b. The DD Form 1594 will not be produced mechanically when final pay
information is generated by means of a G transaction NLA. Therefore, the Finance
Office must either:

(1) Manually prepare a DD Form 1594 at the time the G transaction is generated, and follow procedures above.

(2) Process a zero final voucher pay transaction to create final pay data. The final pay transmitted will mechanically produce a DD Form 1594. The method used is at the option of the DCMD.

9.1.4.9 MILSCAP

  Contract Closing Transactions, PK9 and PKX, for AFSC Contracts are to be routed to one ADP recipient, FY4179 (AMIS Office, WPAFB). The AFSC Procurement Offices are identified as follows:

PIIN	PO
F04611	QQ
F04694	QZ
F04695	RA
F04701	TB
F04703	R8
F04704	R9
F08606	RG
F08635	RH
F19628	RS
F29601	RW
F30602	RX
F33615	SG
F33657	SC
F41609	SH

9.1.5 FILING

Annotated Final Pay NLA Notices will be filed in the contract administration folder. Closeout Extension Reports from the Purchasing Office (PO) will be filed in the Finance Office contract folder. All other Closing Action Status Notice/Requests are considered to be transitory and will be disposed of upon completion of action.